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**Public Service Commission**  
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April 17, 2008

Mr. Clayton O. Oswald  
Mr. J. Warren Keller  
Taylor, Keller, Dunaway & Tooms, PLLC  
1306 West Fifth Street  
P.O. Box 905  
London, Kentucky 40743

RE: Case No. 2007-00333  
April 7, 2008 Informal Conference

Dear Sirs:

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Comments regarding the contents of the memorandum should be submitted to the Commission within seven days of receipt of this letter. Questions regarding this memorandum should be directed to Jeff Shaw of the Commission Staff at 502-564-3940, extension 237.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Stephanie Stumbo".

Stephanie Stumbo  
Executive Director

Attachment  
CC: Parties of Record

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Main Case File -Case No. 2008-00333  
**FROM:**  Jeff Shaw, Team Leader  
**DATE:** April 17, 2008  
**RE:** Informal Conference of April 7, 2008

On April 7, 2008, an informal conference was held in this case for the purpose of discussing the tentative settlement agreement between Jackson Energy Cooperative Corporation ("Jackson Energy") and the Office of the Attorney General ("AG"). A copy of the attendance list for the conference is attached hereto. Jackson Energy explained that the agreed upon revenue increase was approximately \$33,000 greater than its requested increase of \$6,201,363. This outcome reflected the fact that Jackson Energy understated the amount of its proposed increase by approximately \$539,000. Hence, while the agreed upon amount was greater than the increase proposed in Jackson Energy's application, it was more the \$500,000 less than the amount Jackson Energy believed it could have supported before the Commission.

The settlement agreement included the same consolidation of rate schedules that Jackson Energy proposed in its application. It also included the same level of depreciation expense, using the same methodology, as was proposed by Jackson Energy. Other than these specific issues, the settlement agreement was silent on all other issues, except for indicating that Jackson Energy and the AG had agreed that the additional \$33,000 in revenue would be assigned to the residential customer class.

The call ended with the understanding that the upcoming hearing in this matter would focus on the reasonableness of the settlement agreement. Commission Staff also indicated that a memorandum summarizing the conference would be prepared and filed in the record of this case.



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